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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/607,606	06/30/2000	Henry C. Yuen	YUN-13402/03	8540
25006	7590	10/11/2005	EXAMINER	
GIFFORD, KRASS, GROH, SPRINKLE & CITKOWSKI, P.C PO BOX 7021 TROY, MI 48007-7021			SMITH, JEFFREY A	
			ART UNIT	PAPER NUMBER
			3625	

DATE MAILED: 10/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

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Office Action Summary

Application No.

09/607,606

Applicant(s)

YUEN, HENRY C.

Examiner

Jeffrey A. Smith

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 2,3,6,8 and 9 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☒ Claim(s) 9 is/are allowed.
- 6) ☒ Claim(s) 2,3,6 and 8 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 22 January 2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date ____.
- 4) ☒ Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: ____.

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DETAILED ACTION

Reopening of Prosecution after Decision by the Board of Patent Appeals under 37 CFR §1.198

Prosecution in this application has been reopened under 37 CFR §1.198, upon the written authority of Technology Center 3600 Director, John J. Love, for consideration of matters not already adjudicated before the Board of Patent Appeals.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 6 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

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In claim 6, line 1: "the network" lacks antecedent basis. It appears that "the network" should read as --the Internet-- as specifically set forth in claim 9, line 1.

In claim 6, line 1: "the step of conducting a search over the [Internet]" lacks antecedent basis. There is no such step set forth in claim 9.

For examination purposes, claim 6 has been interpreted as follows:

-- 6. The method of claim 9, wherein the step of obtaining a posted price includes conducting a search over the Internet including the use of an existing search engine.-- .

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

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A person shall be entitled to a patent unless -

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 2, 3, and 8 are rejected under 35 U.S.C. 102(e) as being anticipated by Offutt, Jr. et al. (US 2002/0184059) (hereafter: "Offutt").

Regarding claim 8

Offutt discloses a method of purchasing goods and services (par. [0002]) over a computer network (par. [0025]), comprising the steps of:

conducting a search over the network (par. [0043]) to determine the most favorable (par. [0051]) advertised price (par. [0044]) for the goods or services (pars. [0043], and [0046]-[0050]);

obtaining said most favorable advertised price for goods and services (par. [0051]) from a first set of multiple vendors (par. [0041]); and

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using the most favorable advertised price for goods and services to solicit bids over the network from a second set of multiple vendors (par. [0051]) to obtain a price for the goods and services which is lower than the most favorable advertised price (pars. [0051] and [0053]).

Regarding claim 2

Offutt further discloses that the network is the Internet (par. [0025]).

Regarding claim 3

Offutt further discloses that the step of conducting a search over the network includes the use of an existing search engine (pars. [0046]-[0050]).

Allowable Subject Matter

Claim 9 is allowable over the prior art of record.

Claim 6 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. 112, 2nd paragraph, set forth in this Office action.

Reasons for the Indication of Allowable Subject Matter

The following is a discussion of reasons for the indication of allowable subject matter.

Regarding claim 9

The prior art of record neither anticipates nor fairly and reasonably teaches a method of purchasing goods and services over the Internet, comprising, *inter alia*, the step of: submitting a starting bid over the Internet which is lower than the lowest posted price.

The most remarkable prior art of record is to Herz et al. (U.S. Patent No. 5,754,938) (hereafter: "Herz"), Godin et al. (U.S. Patent No. 5,890,138) (hereafter: "Godin"), Offutt (reported above), and Barni et al. (U.S. Patent No. 6,064,981) (hereafter: "Barni").

Regarding Herz and Godin: The reverse auction of Godin in combination with the data searching and sorting of Herz would not have fairly suggested the process recited. While Godin teaches a starting bid, there is no teaching or suggestion as to

what determines this value. The use of a prior determination of a lowest posted price as a starting bid in a reverse bidding process is not fairly and reasonably taught or suggested by Godin and Herz--let alone the step of submitting a starting bid which is lower than the lowest posted price.

Regarding Offutt: Offutt discloses a method of purchasing goods and services over the Internet (par. [0025]), comprising the steps of: obtaining (pars. [0043] and [0051]) a posted price (par. [0044]) associated with the goods and services from a first set of multiple vendors (par. [0041]) over the Internet (par. [0025]); determining a lowest posted price of the posted prices obtained in the previous step (par. [0051]); collecting one or more reverse bids (pars. [0025] and [0051]) from a second set of multiple vendors over the Internet (par. [0051]), wherein each reverse bid represents a price which is lower than the starting bid (pars. [0051] and [0053]); selecting a final bid from among the reverse bids (par. [0053]); and purchasing the goods or services using the final bid (par. [0053]). However, Offutt does not disclose the step of submitting a starting bid over the Internet which is lower than the lowest posted price. Rather, Offutt discloses "price-to-beat" messages which are

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formatted from the lowest prices that have been identified and are available at the conclusion of the obtaining step (see par. [0051]). It is noted, that Offutt permits a buyer at a buyer interface to input "prices to beat" (see par. [0043]), but Offutt is still silent to such "prices to beat" being lower than the lowest posted price.

Regarding Barni: Barni, in a method similar to that of both claim 9 and Offutt (see Barni: col. 1, lines 9-20; col. 5, lines 15-24; and col. 6, lines 18-32), teaches the submission of a starting bid which is lower than a lowest posted price (see "104" at Fig. 7 and compare such bid ("5,000") to the posted prices ("8,000" and "6,950") for the same "40ft HCube" offered by "Sea Land" and "Evergreen", respectively, at Fig. 4).

Nonetheless, Barni fails to reasonably teach or suggest that the submission of such starting bid is intended to result in the collection of one or more reverse bids which represents a price which is lower than the starting bid. The submission of such starting bid in Barni effectively sets-off a negotiation (rather than a reverse bidding process) in which a vendor may either accept the starting bid or counter-offer by posting a seller bid that is higher than the starting bid--neither of which is a bid which represents a price which is lower than the

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starting bid (see col. 7, lines 55-66; and compare seller bids (under "Price" and "Fees" columns of Fig. 11) for the "40ft HCube" to the original starting bid of "5,000" (shown submitted in Fig. 8)).

Accordingly, the teaching of Barni is non-analogous in the sense that Barni does not seek to collect reverse bids which are lower than the starting bid--a desired result of both the instant invention and of Offutt.

Additional references worthy of discussion are as follows:

References

Akst, Daniel: "Personal Technology; Web Site Offers Glimpse of Net's Marketplace Possibilities"; Los Angeles Times (Home Edition); Los Angeles CA; May 13, 1996; page 5 (hereafter: "Akst").

Manes, Stephen: "Off-Web dickering"; Forbes; New York NY; April 5, 1999; v163, i7; page 134 (hereafter: "Manes").

Applegate, Jane: "Cost-Cutting Doesn't Have to Hurt"; Chicago Sun-Times (Late Sports Final Edition); Chicago IL; November 24, 1993; page 60 (hereafter: "Applegate").

Turnis, Jane: "Shoppers who do homework get better price";
The Gazette; Colorado Springs CO; November 26, 1998; page A1
(hereafter: "Turnis").

Carlton-Foss (U.S. Patent No. 6,647,373 B1) (hereafter:
"Carton-Foss").

Stack (U.S. Patent No. 6,076,070) (hereafter: "Stack").

Ojha et al. (U.S. Patent No. 6,598,026 B1) (hereafter:
"Ojha").

Discussion

Certain of these references teach various aspects of the instant invention. For example, Akst and Manes, respectively teach using a known Internet search engine to compare the advertised (claim 8) or posted (claim 9) prices of multiple vendors in order to determine the most favorable advertised price (claim 8) or the lowest posted price (claim 9) for goods and services. Further, Applegate and Turnis, respectively, teach using an advertised (claim 8) or most favorable (claim 9) price in order to solicit at least one bid which is lower than a most favorable advertised price (claim 8) or a lowest posted price (claim 9) determined from a price comparison of advertised (claim 8) or posted (claim 9) prices of multiple vendors.

Additionally, Carlton-Foss teaches collecting one or more reverse bids from a set of vendors over the Internet, wherein each bid represents a price which is lower than a starting bid (claim 9).

However, none of these references, when taken alone or in combination, teaches the combined steps (as recited in claims 8 and 9) which include both the steps involved in obtaining a most favorable price (claim 8) or determining a lowest posted price (claim 9) and those steps involved in using the most favorable advertised price to solicit bids from multiple vendors to obtain a price lower than the most favorable advertised price (claim 8) or in collection one or more reverse bids from multiple vendors, wherein each reverse bid represents a price which is lower than the starting bid (claim 9).

Akst and Manes, for example, employ a negotiation technique which solicit bids from single vendors, respectively. The negotiation technique comprises the use of a most favorable or lowest posted price, but does not solicit bids from multiple vendors and does not result in price which is either lower than the most favorable price or a starting bid. This is because the single vendor is presented either the most favorable price or the starting bid and is expected to merely meet the most

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favorable price or the starting bid or is expected to counter-offer with a higher price or bid.

Applegate and Turnis, for example, are silent to the use of a computer network (such as the Internet) for implementing the steps involved in obtaining or determining the most favorable advertised price or the lowest posted price, or the steps involved in soliciting bids or collecting one or more reverse bids--let alone the use of a common computer network (or the Internet) for implementing both activities.

Carlton-Foss, for example, does not disclose the manner in which any starting bid is determined--let alone that such starting bid is lower than any posted price associated with even one vendor.

Regarding Stack and Ojha:

Stack discloses a method and apparatus for on-line price comparison and price reduction of goods and/or services (col. 1, lines 6-13). However, Stack does not disclose soliciting bids from multiple vendors or collecting one or more reverse bids from multiple vendors. Rather, Stack allows a single vendor to reduce its own price for an item if its price for the item is

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higher than another vendor's price for the item (col. 5, line 51-col. 6, line 25).

Ojha discloses a method for facilitating transactions between buyers and sellers on the World Wide Web (col. 1, lines 17-20). However, Ojha does not disclose one or more reverse bids from multiple vendors wherein each reverse bid represents a price which is lower than the starting bid. Rather, Ojha discloses simultaneous negotiations with multiple vendors. The negotiations are not based on a common starting bid and do not result in one or more bids which is lower than a common starting bid. Moreover, and similarly, the negotiations do not use a common most favorable advertised price to solicit bids from multiple vendors. Even though the result of any one negotiation with a single vendor may result in a price which is lower than the most favorable advertised price, it still remains that no common most favorable advertised price is used to solicit bids from multiple vendors. It is noted that Ojha allows for any vendor to reply to another vendor's negotiation. However, such reply is intended to provide an opportunity for other vendors to offer a competitive product, a bundle, or a related product (col. 17, line 46-col. 18, line 5). This is not construed as a bid on sought goods and services themselves.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Takahshi et al. (JP 58161067 A) discloses a method where a market price is stored and an auction price is raised until the auction price exceeds the market price.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey A. Smith whose telephone number is (571) 272-6763. The examiner can normally be reached on M-F 6:30am-6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on (571) 272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

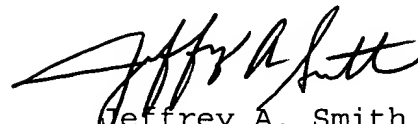
Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


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Submitted upon the written authority of:

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September 20, 2005

APPROVED
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